S
364.172
J5tgm
1991

TYPES OF GAMBLING IN MONTANA UNDER DEPARTMENT OF JUSTICE JURISDICTION[1]

STATE DOCUMENTS COLLECTION
JUN 1 1993
MONTANA STATE LIBRARY
1515 E. 6th AVE.
HELENA, MONTANA 59620

Prepared by the Gambling Control Division
Montana Department of Justice
October 1991

Video Gambling Machines

- **Definition.** A video gambling machine is an electronic gambling device that, upon insertion of cash, is available to play poker, keno, or bingo. The machine uses a video display and microprocessors in which, by the skill of the player, by chance, or both, the player may receive free games or credits that may be redeemed for cash.

- **Date authorized.** Video keno machines were authorized by a 1976 Montana Supreme Court decision that ruled that video keno was a form of live bingo. The state assumed regulatory control over video keno and bingo machines in 1987. Video poker machines were authorized in 1985 by the Legislature.

- **Revenue.** A tax equal to 15 percent of the gross machine income is imposed on each machine. In fiscal year 1991, $20.7 million in tax revenue was collected. One-third of this amount ($6.9 million) was deposited in the state general fund. Two-thirds ($13.8 million) was distributed to local governments according to the tax revenue generated by the machines operating within the local government's jurisdiction; this money was deposited in the city's or county's general fund.

  In addition, an annual proratable permit fee of $200 is charged for each machine. In fiscal year 1991, $2.5 million in permit fees were collected. One-half of this amount ($1.25 million) was retained by the Gambling Control Division for administrative purposes. The remaining $1.25 million was distributed to local governments according to the number of permits issued within the local government's jurisdiction; this money was deposited in the city's and county's general fund.

Live Card Games

- **Definition.** The following live card games are authorized: bridge, cribbage, hearts, panguingue, pinochle, pitch, poker, rummy, solo, and whist. These are nonbanking card games in which players bet against and settle with each other rather than betting against and settling with the house.

- **Date authorized.** Live card games were authorized by the Legislature in 1974.

- **Revenue.** A $250 annual permit fee is charged for the first live card game table operated on a premises. The annual permit fee for each additional table is $500. In fiscal year 1991, $83,500 in permit fees were collected. Of this amount, the Gambling Control Division retained $28,700 ($100 from each permit fee) for administrative purposes. The remainder ($54,800) was distributed to local governments according to the number of permits issued within the local government's

[1] Other legal forms of gambling in Montana include horse racing and the lottery, which are under the jurisdiction of the Board of Horse Racing and the Montana Lottery Commission, respectively.

PLEASE RETURN

MONTANA STATE LIBRARY
S 364.172 J5tgm 1991 c.1
Types of gambling in Montana under Depar
3 0864 00081245 6

jurisdiction; this money was deposited in the city's or county's general fund.

Live Bingo

- **Definition.** Live bingo is a gambling activity played for prizes with a card bearing a printed design of five columns of five squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with each letter above one of the columns. No more than 75 numbers may be used. One number must appear in each square, except for the center square, which may be considered a free play. Numbers are randomly drawn using authorized equipment until the game is won by the person or persons who first cover a previously designated arrangement of numbers on the bingo card.

- **Date authorized.** Live bingo was authorized by the Legislature in 1974.

- **Revenue.** A tax equal to one percent of the gross proceeds from nonexempt games is imposed.[2] In fiscal year 1991, $26,495 was collected and distributed to local governments according to the tax revenue generated by games operating within the local government's jurisdiction; this money was deposited in the city's or county's general fund.

  In addition, an annual permit fee of $250 is charged for each premises operating a live bingo game.[3] In fiscal year 1991, $29,500 in permit fees were collected. This amount was retained by the Gambling Control Division for administrative purposes.

Live Keno

- **Definition.** Live keno is a gambling activity in which prizes are awarded using a card with eight horizontal rows and ten columns on which a player may pick up to ten numbers. A keno caller, using authorized equipment, selects at random at least 20 numbers out of the numbers between one and 80, inclusive. A player may win prizes by matching the numbers selected in whole or in part.

- **Date authorized.** Live keno was authorized by a 1982 Montana Supreme Court decision that declared live keno to be a form of live bingo.

- **Revenue.** The live keno tax is identical to the tax on live bingo. (See description above.) In fiscal year 1991, $17,136 was collected and distributed to local governments according to the tax revenue generated by games operating within the local government's jurisdiction; this money was deposited in the city's or county's general fund.

  The live keno permit fee is identical to the live bingo permit fee. (See description

---

[2] Before July 1, 1991, the tax imposed was equal to the greater of one percent of the gross proceeds or five percent of the net income from the game.

[3] Before July 1, 1991, the permit fee was $500 per premises.

above.) In fiscal year 1991, $24,500 in permit fees were collected.[4] This amount was retained by the Gambling Control Division for administrative purposes.

Sports Pools

- **Definition.** A sports pool is a gambling activity in which a participant wagers money for each chance to win money or other items of value based on the outcome of a sports event or series of sports events wherein the competitors in the event or series of events are natural persons or animals. The following types of sports pools are legal: traditional sports pool, series sports pool, multiple way sports pool, selected point sports pool, blackout sports pool, weekly sweepstakes sports pool, and multiple competitor sports pool. (A description of these types of pools is attached as Appendix A.)

- **Date authorized.** The traditional sports pool was authorized by the Legislature in 1974. In 1991, the Legislature expanded the law to include the other forms of sports pools.

- **Revenue.** No tax or permit fee is imposed on sports pool operations.

Sports Tab Games

- **Definition.** A sports tab game is a gambling activity conducted on a card to which 100 sports tabs[5] are attached that have 100 different pairs of numbers. A person may purchase a sports tab from the card for the chance to win money or other items of value based on the outcome of a sports event. A winner or winners are determined by matching the appropriate numbers on a participant's sports tab with the only or last digit of the competitors' score at the end of the sports event, and if designated before the event by the game's sponsor, at intervals during the sports event.

- **Date authorized.** Sports tab games were authorized in 1991 by the Legislature.

- **Revenue.** A tax of $1 per sports tab card sold is imposed on licensed gambling operators at the time of sale. For the first quarter of fiscal year 1992, $5,472 in tax revenue were collected. This revenue is retained by the Gambling Control Division for administrative purposes.

Raffles

- **Definition.** A raffle is a gambling activity in which each participant pays valuable consideration for a ticket to become eligible to win a prize through a random selection process.

- **Date authorized.** Raffles were authorized in 1974 by the Legislature.

---

[4] In addition to the permit fees collected from establishments offering only live bingo or only keno, $6,000 was collected in fiscal year 1991 from 12 establishments offering both games.

[5] A sports tab is a folded or banded ticket with a face covered to conceal a combination of two numbers, with each number ranging from zero through nine.

- **Revenue.** No tax is collected on raffle proceeds. A county may charge a permit fee except for raffles conducted by nonprofit organizations or religious corporations sole.

Calcutta Pools

- **Definition.** A Calcutta pool is a form of auction pool conducted in conjunction with an event involving more than two competitors. Participants in the pool bid on the event's competitors, and a participant's wager is equal to his or her bid. The highest bid "purchases" the competitor, and pool proceeds are divided among participants according to a participant's competitor performance in the event.

- **Date authorized.** Calcutta pools were authorized in 1987 by the Legislature.

- **Revenue.** No tax is collected or permit fee charged for conducting a Calcutta pool.

Limited Casino Nights

- **Definition.** A casino night is a fundraising event during which wagers may be made in certain gambling activities through the use of imitation money. The following activities may be conducted during a casino night: live card games that are legal in the state, live bingo, live keno, and raffles. Only a nonprofit organization may sponsor a casino night.

- **Date authorized.** Casino nights were authorized in 1991 by the Legislature.

- **Revenue.** A $25 fee is charged for issuing a casino night permit. The fee is retained by the Gambling Control Division for administrative purposes.

Fantasy Sports Leagues

- **Definition.** A fantasy sports league is a gambling activity consisting of a limited number of persons or groups who pay an entrance fee for membership in the league. Each league member creates a fictitious team composed of athletes from a given professional sport. Each team then competes against the other teams in the league. Points are awarded to a team according to the performance of individual players or teams or both during a designated time period. A member may be eligible to receive a payout, which may be in cash or merchandise, based on the number of points accumulated.

- **Date authorized.** Fantasy sports leagues were authorized in 1991 by the Legislature.

- **Revenue.** No tax is collected or permit fee charged for conducting a fantasy sports league.

Shake-a-day

- **Definition.** Shake-a-day is a gambling activity in which a customer may once each day wager an amount of money, not to exceed 50 cents, and shake a number of dice in an attempt to roll a certain combination simulating a poker hand predetermined by the establishment. If the combination is rolled, the customer wins all money paid to play the game since the last winning combination was rolled.

- **Date authorized.** Shake-a-day was authorized in 1991 by the Legislature.
- **Revenue.** No tax is collected or permit fee charged for conducting shake-a-day.

Shaking for Drinks or Music

- **Definition.** Shaking for a drink or music is a gambling activity in which a customer shakes or chooses one or more dice, alone or with an owner or employee of an establishment, to determine whether the customer or establishment will pay for the customer's drink or pay a predetermined amount of money, not to exceed $2, for music from a jukebox.
- **Date authorized.** Shaking for a drink or music was authorized in 1991 by the Legislature.
- **Revenue.** No tax is collected or permit fee charged for shaking for drinks or music.

Fishing Derbies

- **Definition.** A fishing derby is a gambling activity in which two or more persons pay valuable consideration for an opportunity to win a prize for the species, size, weight, or otherwise specified fish caught in a fishing event.
- **Date authorized.** Fishing derbies involving gambling were authorized in 1991 by the Legislature.
- **Revenue.** No tax is collected or gambling permit fee charged for conducting a fishing derby.

Wagering on Natural Occurrences

- **Definition.** Wagering on a natural occurrence is a gambling activity in which two or more persons pay valuable consideration for an opportunity to win a prize by most accurately predicting the date or time of an event resulting from a climatological or meteorological activity.
- **Date authorized.** Wagering on natural occurrences was authorized in 1991 by the Legislature.
- **Revenue**. No tax is collected or permit fee charged for conducting wagering on natural occurrences.

APPENDIX A

Authorized Sports Pools
(ARM 23.16.1705)

23.16.1705 AUTHORIZED SPORTS POOLS (1) Authorized sports pools described in this rule are identified by a title to distinguish one pool type from another. The controlling factor as to the legality of a sports pool is not the pool's title but the method and manner in which the pool is conducted.

(2) The conduct of an authorized sports pool is subject to the provisions of 23-5-501 through 23-5-503, MCA, and department rules.

(3) The following sports pools are authorized under 23-5-501 through 23-5-503, MCA:

(a) a "traditional sports pool" involving a single sports event with two competitors that is conducted on a sports pool card containing a master square with 25, 50, or 100 spaces. Each space is randomly assigned a unique pair of numbers from the vertical and horizontal axis of the master square. A winner is determined by matching the numbers assigned to a space with the only or last digit of the score of each competitor in the sports event at predetermined intervals during the event or at the end of the event.

(b) a "series sports pool" conducted on a master square in conjunction with a series of sports events. The pair of numbers assigned to each space on the master square remains the same for each sports event in the series. The competitors in each sports event in the series may be individual teams or a combination of teams (e.g., a group of teams designated as home teams versus a group of teams designated as away teams). Spaces must be sold for all events in the series of sports events and may not be sold for individual events. Winners for each sports event in the series are determined:

(i) in the same manner as in a traditional sports pool; or

(ii) in the same manner as in a traditional sports pool for the first sports event in the series. For the second and subsequent events, winners are determined by combining the scores generated by each competitor in the previous events.

(c) a "multiple way sports pool" conducted on a master square with multiple sets of numbers randomly assigned to the horizontal and the vertical axes representing certain intervals of a single sports event or individual sports events in a series of events. Winners are determined in the same manner as in a traditional sports pool.

(d) a "selected point sports pool" in which the winner is the participant whose assigned competitor is the first to attain a final score that matches a predetermined number (e.g. 28, 39). If in a given week none of the competitor's score match the predetermined number, the prize is carried over to the next and subsequent weeks until a match occurs. However, the pool must be designed to ensure that a prize does not exceed the value of $500. The number of participants in a selected point sports pool is limited to the number of competitors in an established league. Competitors are randomly assigned to the participants and may be assigned for a single week or the duration of the pool.

(e) a "blackout sports pool" in which the winner is the participant who holds the randomly assigned competitor that first accumulates scores on succeeding weeks whose only or final digit corresponds to all of the numbers zero through nine. A variation of this pool tallies only those scores in which the competitor is the winner of a sports event. The number of participants is limited to the number of competitors in an established league.

(f) a "weekly sweepstakes sports pool" in which a different competitor or competitors are randomly assigned to participants for each week. The winner is determined by the most or least points scored by the competitor or competitors assigned to a participant or by the most games won by the competitors assigned to a participant. The number of participants is limited to the number of competitors in a league or to the maximum

combination of competitors in a league.

(g) a "multiple competitor sports pool" in which three or more competitors simultaneously compete in a sports event or series of sports events as individuals, not as a team, such as in a car race or golf tournament. Competitors are randomly assigned to participants, and a pool winner is determined by the score or place that the competitor attains in the sports event or series of sports events.

Digitized by the Internet Archive
in 2011 with funding from
Montana State Library

http://www.archive.org/details/typesofgamblingi1991mont